

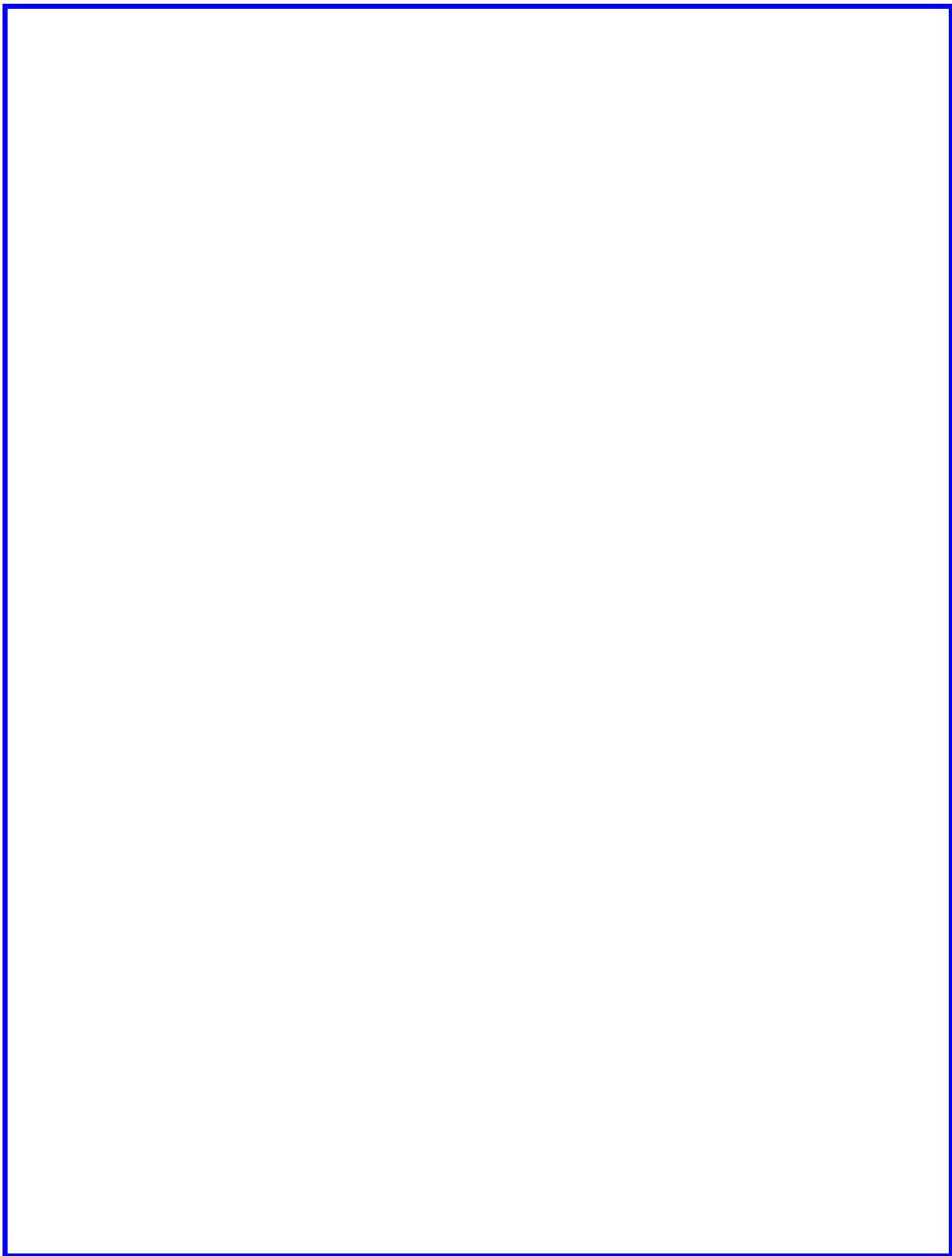
# Foreclosure Prevention Workbook

A decision-making tool for homeowners exploring ways  
to save their homes and their financial well-being from the foreclosure crisis.

Presented by the Arizona Foreclosure Prevention Task Force  
to the people of Arizona.



This workbook was created by the Pima County Foreclosure Prevention Coalition  
with special thanks to the Pima County HUD Approved Housing Counselors.





**RICHARD ELÍAS**  
COUNTY SUPERVISOR - DISTRICT 5  
CHAIRMAN OF THE BOARD

## PIMA COUNTY BOARD OF SUPERVISORS

130 W. CONGRESS STREET, 11<sup>TH</sup> FLOOR  
TUCSON, ARIZONA 85701-4817

TELEPHONE (520) 740-8128  
FAX (520) 894-1152  
E-MAIL: [district5@pima.gov](mailto:district5@pima.gov)  
WEBSITE: [www.district5.pima.gov](http://www.district5.pima.gov)

KELLY BAGWELL  
COUNTY ASSISTANT

ANDREA ALIARI RANO  
OFFICIAL STAFF ASSISTANT

ANNA HARTLEY  
OFFICIAL STAFF ASSISTANT

EVANGELINA QUIJILIS  
OFFICIAL STAFF ASSISTANT

SAMUEL SUKOWA  
OFFICIAL STAFF ASSISTANT

Dear Friends,

We are proud to provide you with the Pima County Foreclosure Prevention Coalition's Workbook. You have taken the first step in your decision-making process regarding difficult choices affecting your future. It is our hope that this workbook will serve as an effective tool to provide information to you and your family.

Pima County is the founding member and an important force in this Coalition, the formation of which is part of our local strategy to promote the national effort to resolve the country's foreclosure crisis. As this crisis unfolds, untold thousands of homeowners have lost their homes or face severe hardships in trying to retain their homes. This workbook is designed to be a very useful and valuable tool in dealing with a potential foreclosure.

The workbook will help you receive effective and efficient service from your mortgage lender and/or housing counseling agency as you face important decisions along the roadmap to solutions. It offers clear direction on what information you will need, including key documents, household income, property information, and calculations; it explains for what purposes they will be used. This will enable you to decide if you can afford to keep your home or take other steps that will be in your best interest.

Other tools in the workbook include a communications log to help you track names, phone numbers and the essence of important conversations you have with people who are critical to the solving your problems as you progress. Sample letters will help you state your case clearly to counselors, mortgage company representatives and others involved in your situation. A glossary of mortgage loan terms used in the mortgage lending industry is included along with additional online resources.

Pima County developed this workbook to help local residents deal with this difficult and often devastating crisis. We are pleased to share this workbook with other jurisdictions, organizations and groups that are taking steps to assist homeowners deal with foreclosure. We believe anyone in Arizona or beyond can use this workbook effectively to develop an understanding of the foreclosure process and to take the appropriate steps to determine solutions and options specific to their needs.

You have taken the first step in recognizing difficult choices affecting you and your family. I congratulate you for your courage in recognizing the complexity of the problem, in taking the steps to make informed decision and in seeking professional assistance and advice regarding your home and your future.

Sincerely,

Richard Elías  
Chairman  
Pima County Board of Supervisors

## SPONSORS



A UniSource Energy Company



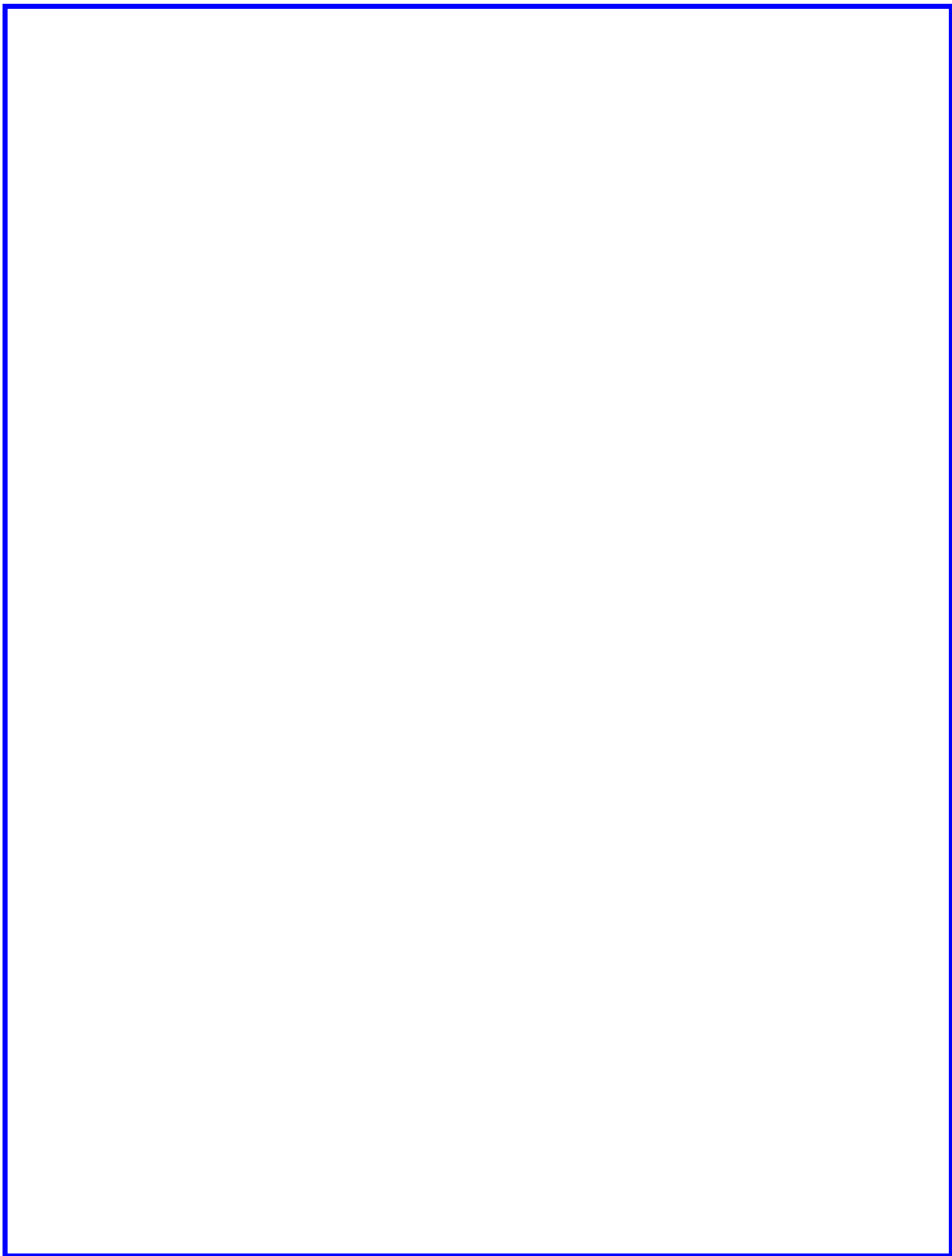
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## TOPIC 1

### Phases of Foreclosure









# Your Personal Challenges...

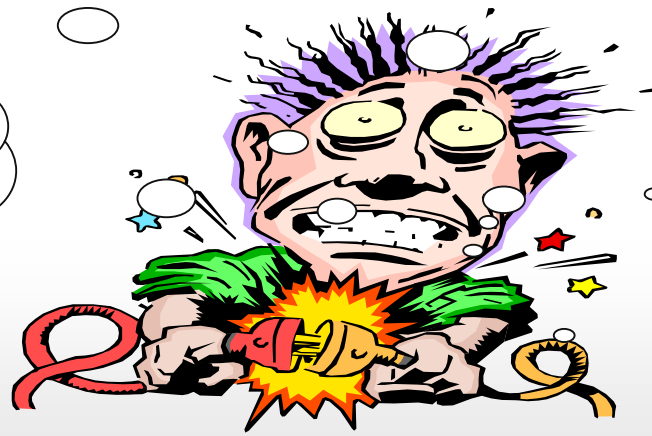
**Divorce!**

**Life Changing  
Events!**

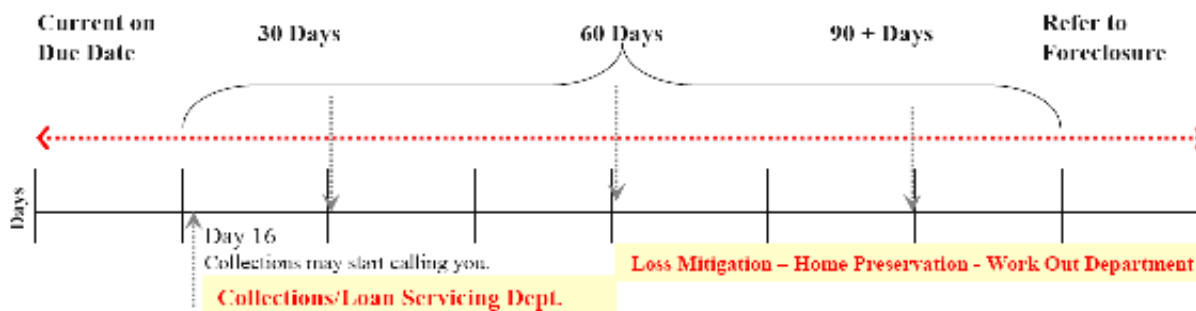
**Foreclosure!**

**Bills!  
Bills!  
Bills!**

**Job Loss!**



## Diagram of Delinquency Process from Late to Auction Date – 180 days



### What happens after I am 30 days late?

Although you are late from 1<sup>st</sup> day after the due date, the **COLLECTIONS**, sometimes referred to as the **LOAN SERVICING Department**, of your mortgage company will start calling you between the 16<sup>th</sup> and the 30<sup>th</sup> of the month.

#### What is the Collections or Loan Servicing Department?

- Collections is a loan servicing division of the mortgage company that accepts and applies your payment each month, tracks any late fees, monitors and when included in your payment, will pay the taxes and insurance when due. They will contact you when payments are missed.
- The “collections” or “loan servicing” department will start calling you to collect the past due payment.

### What happens after I am 60 days late?

On the 61<sup>st</sup> day, the loan payment is 2 months past due, and if the Collections department has not been able to collect or make acceptable payment arrangements with you, your account will be turned over to the **LOSS MITIGATION DEPARTMENT** also known as **HOME PRESERVATION AND WORKOUT DEPARTMENT**.

#### What is Loss Mitigation?

- This is a division of the mortgage company that will work with you on an acceptable plan to get you back on track with your mortgage payments (*Home Preservation*).
- You will begin to receive letters requesting that you call them. This is the period where you will have more options available to you.
- They will make many attempts to contact you during this period.

### What happens after I am 90 days late?

On the 91<sup>st</sup> day (**in AZ**), a third party **TRUSTEE** takes over your delinquent account. The Trustee will send a “Notice of Trustee Sale” stating that the property will be sold 90 days from the date the Notice was filed and recorded. There will be a notice published in the newspaper once a week for four weeks.

#### What is the process?

- Mortgage company will not send you any more letters. It is now totally up to you to contact them directly as soon as possible, or through a U.S. HUD certified housing counselor.
- Unless you act quickly, your house will be sold at auction on the date specified.

**NOTE:** The total number of days of delinquency (90, 120, 180) depends on your mortgage servicer.

**Think About Your Situation Worksheet**  
**To help you write a Hardship Letter (see sample in back under Tools)**

What caused your situation? When did you miss your first payment (date)? Why did you miss this and any other payments? Please be as accurate as possible.

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How have you tried to fix your financial situation?

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Once you complete this exercise, you will be ready to write a Hardship Letter. Please see the Appendix for a sample Hardship Letter. When you begin to work out options with your mortgage lender, you will need a Hardship Letter.

## MY NOTES

## TOPIC 2

### *Show Me the Money*



## Show Me the Money!

*What do I have?*

Sources of Income	<u>Homeowner A</u>	<u>Homeowner B</u>	<u>TOTAL</u> <u>A &amp; B</u>
Monthly Income Employer	\$	\$	
Social Security /SSI / SSDI			
Child or Spousal Support			
Unemployment Compensation			
Workers Disability Compensation			
Veterans Benefits			
Retirement Benefits			
Monies from Boarders or Roommates			
Child care assistance			
Housing assistance			
Other			
Other			
<b>Total for Homeowner A</b>	\$		\$
<b>Total for Homeowner B</b>		\$	\$
<b>Total Household Income (A + B)</b>			\$

### Think About Your Current Situation

- Do you need control of your finances?
- Should you practice money management skills?
- What changes should you make to save your home and improve your financial well-being?
- Where is all the money going

What are your **fixed expenses**? They are expenses that require set payments on a weekly, monthly or annual basis.

What are your **variable expenses**? They are expenses which change, fluctuate, vary from month to month. Estimate what these are and keep track for a couple of months.

What are your **periodic expenses**? They are expenses such as holiday shopping, auto insurance and registration. Guess how much you may spend on these items for an entire year and then divide that amount by 12. That equals how much you should plan to save or budget each month.

Your **total expenses** are the sum of fixed, variable and periodic expenses. See the following chart which will help you.

Monthly Expenses - Where is my money going?			
COLUMN 1 EXPENSE	MONTHLY	COLUMN 2 EXPENSE	MONTHLY
<b>Shelter</b>		<b>Contributions &amp; Gifts</b>	
Rent or Mortgage Payment	\$	Church donations	\$
Homeowner Association Dues		Miscellaneous donations	
Home Maintenance		Gifts/cards/Wrapping Accessories	
<b>Food</b>		<b>Recreation</b>	
Groceries, beverages	\$	Club dues	\$
Cleaning supplies, paper products		Newspapers, magazines, books	
Food away from home		CDs, other music	
Tobacco/Alcohol		Movies	
		Hobbies	
<b>Utilities</b>		Sports	
Gas, light, water	\$	Vacations	
Phone		Entertainment	
Cell/Mobile Phone			
Garbage, sewer			
<b>Insurance</b>		<b>Other Expenses</b>	
Life	\$	Kids' allowances	\$
Auto		Day Care (Children/Seniors)	
Health		Babysitting	
		Postage	
		Cable/Satellite TV	
<b>Transportation</b>	\$	Other services	
Gas & Oil		Pets	
Repairs			
Registration		<b>Monthly Obligations</b>	
Bus, carpool		Alimony/Child Support	\$
Parking		Total Monthly Auto Loan Payments	
		Total Monthly Credit Card Payments	
<b>Education</b>		Total Monthly Installment Loan Payments	
Tuition	\$	Total Other Monthly Obligations	
Books			
Special Lessons			
Sports			
<b>Health Care</b>			
Medical	\$		
Dental			
Prescriptions			
<b>Clothing</b>			
New purchases	\$		
Dry cleaning, Laundry			
<b>Personal Care</b>			
Beauty/Barber Shop	\$		
Nails			
Other Personal expenses			
COLUMN 1 TOTAL:	\$	COLUMN 2 EXPENSE TOTAL:	\$
		COLUMN 1 EXPENSE TOTAL:	\$
COLUMN 1 + COLUMN 2 = TOTAL EXPENSES: \$			

## Household Assets Budget Outcomes

**What Do I Own? What Am I willing to sell?**

	<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
<b>Household Assets</b>			
Description	Value	Amount Owed	Sell?
a) Automobile #1			\$
b) Automobile #2			\$
c) Automobile #3			\$
d) <b>Cash on Hand Over \$100</b>			
e) Checking Account			\$
f) Savings Account			
g) Anticipated Tax Refunds			
h) Money Market Funds			\$
i) Stocks/Bonds/CDs/Annuities, etc			\$
j) IRA / Keogh Accounts			\$
k) Computer/TV/Electronics			\$
l) Furniture			\$
m) Boats / Jet Skis			\$
n) RV/ Recreational Homes			\$
o) Motorcycles / Snowmobile			\$
p) Farm Equipment			\$
q) Trailers			\$
r) Other Property			\$
s) Other:			\$
t) <b>Total</b>			

**What is my current lifestyle and what must I change?**

Eating out:\_\_\_\_\_

Gambling:\_\_\_\_\_

Toys/Luxuries:\_\_\_\_\_

Cable TV:\_\_\_\_\_

Cell phone:\_\_\_\_\_

Other:\_\_\_\_\_



## Affordability Analysis

**Based on what we earn, spend, need and can sell,  
Am I able to keep (afford) my home?**

### INCOME & EXPENSES

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1. Total Expenses                      \$\_\_\_\_\_ Page 15 (Total Col. 1 & 2)
2. Total Monthly Income              \$\_\_\_\_\_ Page 14 (Total A+ B)
3. Line 2 – Line 3 (above)              \$\_\_\_\_\_ What's Left to cover increased  
mortgage payments or other emergencies.

### CASH AVAILABLE / NEEDED

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4. Homeowner Cash on Hand          \$\_\_\_\_\_ Household Assets, page 16 (line d, Col. 1)
5. Homeowner Assets – SELL          \$\_\_\_\_\_ Household Assets, page 16 (line t, Col. 3)
6. Total Cash Available                  \$\_\_\_\_\_ Total (Line 4 + Line 5, above)

Additional funds may also be available, depending on your eligibility to qualify for assistance from a nonprofit, governmental or mortgage company. Eligibility will be determined upon an evaluation of your income, expenses and assets.

## MY NOTES

## TOPIC 3

### KNOW YOUR MORTGAGE



## **Mortgages – Know your Loan(s)**

### **The Mortgage/Promissory Note:**

The legal evidence of indebtedness and formal promise to repay a debt. It sets out the amount and terms of the loan and recites the penalties and steps the lender can take if you fail your payments on time.

### **Deed of Trust:**

The deed of trust helps to verify and protect the legal interest in a property. The property is deeded by the title holder (trustor) to a trustee (often a title or escrow company) which holds the title in trust for the beneficiary (the lender of the money).

### **Prepayment Penalty Rider:**

A prepayment penalty on a mortgage allows the lender to charge a borrower additional interest, typically six months worth, when a mortgage is repaid during the penalty period, which is usually somewhere in the first three to five years of the mortgage. If a mortgage does have a prepayment penalty, this should be clearly stated within the mortgage disclosures, mortgage note and/or prepayment penalty rider to the note.

### **TIL (Truth in Lending) Disclosure Statement:**

Required by Federal law.

- TIL must be given within 3 business days of initial loan application.

Purpose of TIL:

- Show estimated total costs of borrowing,
- Expected payment amounts over life of loan,
- Other significant features of your loan.

### **HUD 1 Settlement/Closing Statement**

- Prepared by initially by Lender and then by Title Company
- Required by Federal law
- Provides details of sale transaction
- Must be signed by both buyer and seller and becomes
- Part of the lender's permanent loan file

### **ADJUSTABLE RATE MORTGAGE RIDER (ARM RIDER)**

- Adjustable-rate mortgages (ARMs) are loans with interest rates that change. ARMs may start with lower monthly payments than fixed-rate mortgages, but there are two important considerations:
  - The Adjustment Period
  - Borrower Notification
- The interest rate on an ARM is made up of two parts: the index and the margin
- There are different types of ARMs
  - Hybrid ARMs
  - Interest-only ARMs
  - Payment-option ARMs

## WHAT ABOUT MY MORTGAGE(S)?

	First Mortgage	Second Mortgage (Home Equity Loan)	Where do I find this*?
<b>What about my Loan?</b>			
Original Mortgage Lender			DOT*
Original Loan Amount			TIL*; P. Note*
Monthly Payment			TIL; P. Note
Monthly Due Date			TIL; P. Note
Closing Date of the Loan			DOT; P. Note
Number of Payments			TIL; P. Note
<b>My Loan Type is?</b>			
FHA			HUD 1*
VA			HUD 1
Conventional Loan			HUD 1
MI Company:			
Rural Development			HUD 1
Other:			
<b>What are my Loan Terms?</b>			
Fixed Rate			TIL; P. Note
Adjustable Rate (ARM) Type			ARM Rider*; P. Note
Initial Rate			ARM Rider; P. Note
Index			ARM Rider P. Note
Margin			ARM Rider P. Note
Adjust Date			ARM Rider P. Note
How often Adjusting; CAPS			ARM Rider P. Note
Other:			
<b>Information included on the monthly mortgage statement</b>			
Outstanding Balance			
Mortgage Insurance			
Homeowners Insurance			
Taxes Escrowed			
Insurance Escrowed			

**\*ABBREVIATIONS:**

DOT: DEED OF TRUST

P. NOTE: PROMISSORY NOTE

TIL: TRUTH IN LENDING

HUD 1: SETTLEMENT CLOSING STATEMENT

ARM - ADJUSTABLE RATE MORTGAGE

## MY NOTES

## **TOPIC 4**

### **KNOW YOUR OPTIONS**

### **WHAT HAPPENS NOW?**



## KNOW YOUR OPTIONS

Options not involving lender:

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Options working with your Lender depend on factors:

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Options to Keep the Loan/Home:

- Repayment : Plan where you pay a full month's payment plus a partial payment.

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- Forbearance: Similar to a Repayment Plan where lender agrees to a modified monthly payment for several months allowing the borrower to catch up.

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- Modification: This plan involves more work and may reduce or fix your interest rate, change your term from 30 to 40 or 50 years, or add the delinquent amount to your current amount and re-amortize (or re-schedule your payments).

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- Partial/ Advance Claim: This is a second loan with no interest, or very low interest that is repaid after the first loan is paid, but this is available only with insured mortgage loans.

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- Refinance: The lender will offer a new loan which may add an additional borrower. There must be adequate equity in the property. This cannot be done if the value of the home is less than the amount owed to the lender.

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## Options to Not Keep Loan/Home – How to Exit Gracefully:

Sell the property: Best option if the borrower cannot afford the mortgage payment and the house is worth more than the amount owed. In the back of this workbook under Tools there is a worksheet “What’s my House Worth?” to help you decide on a competitive sales price. Other considerations include the condition of your home and how much time do you have.

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- Assumption: If you find another borrower willing and qualified to take over your mortgage and your home, they may assume your mortgage. The new borrower must meet the lender’s criteria.
- 
- 

- Deed in Lieu: In some cases the lender will take back your property instead of holding you responsible for the mortgage loan. This requires investor approval. This option will be considered, in most cases, only after the property has been on the market for 90 days. There may be tax consequences.
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- Foreclosure: This is sometimes the only option for a borrower to accept. After five years, the borrower may qualify for a new mortgage. There are tax consequences to foreclosure and credit challenges, as well.
- 
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- Short Sale (pre-foreclosure sale): When the borrower owes more than the property is worth, it may be best to sell the property. The lender and mortgage insurer must agree to this option.
- 
- 

- Bankruptcy – Chapter 13

Legal Counsel will explain this option during the Workshop. Information is also available at the Bankruptcy Court website [www.azb.uscourts.gov](http://www.azb.uscourts.gov) under Debtor Help or Creditor Help. Free legal advice is available in most communities. The Southern Arizona Legal Aid, Inc. in Tucson is listed in among the Resources included in this Workbook under the Tools section.

## **My Notes**

**TOPIC 5**

**BEWARE OF SCAMS**



## BEWARE OF SCAMS

Currently known scams include the following. If you suspect a scam that's not described here, contact Don't Borrow Trouble® Pima County or the Arizona Attorney General's Office (see "Tools" section for contact information)

Bailout – includes various schemes where homeowners surrender their title to the house thinking they will be able to remain as renters and buy the house back

Bait and Switch – homeowners believe they are signing documents for a new loan to make the mortgage current, but sign away their home and are left holding the mortgage on a home they no longer own

Equity Stripping – a buyer purchases the home for the amount of the late payments and flips the home for a quick profit

Foreclosure Scams – schemes to defraud borrowers who are in default on their mortgage loans by offering to the borrower a program that makes false claims or that otherwise takes advantage of the borrower's default.

Phantom Help – the “rescuer” charges high fees for work the homeowner could do themselves or charges for strong representation that never materializes

New Scams (Ask the Workshop Moderator or contact Don't Borrow Trouble® Pima County at 520-792-3087) New scams are always developing. If you suspect an offer is too good, too easy, too expensive, please call a reliable source who will verify this offer is legitimate.

### Protect yourself by:

Never signing over the deed to your home as part of a foreclosure avoidance transaction. A deed should be signed over only if you intend to sell the home for a fair trade;

Consulting an attorney, financial advisor, non-profit mortgage counseling agency, HUD certified counselor or knowledgeable family member before signing any “rescue” documents;

Reading every document carefully. Do not sign contracts or documents that have blank spaces;

Making the monthly mortgage payments directly to your original lender. Do not allow another person to make payments on your behalf;

Contacting your lender first, when you are getting behind in your mortgage payments. Often a payment plan can be worked out that allows you to keep your home while working through financial problems.

## TOPIC 6

### REBUILDING AFTER FORECLOSURE



Rebuilding after foreclosure is possible especially with the many resources available in the community. Families who need help with rent, utilities, and other needs should contact the following agencies.

#### PIMA COUNTY CAA HOTLINES

Emergency Assistance (520) 243-6688

Sewer Outreach Subsidy Discount Program (520) 243-6794

City of Tucson/Environmental Services/Water Bill Assistance (520) 243-6770

Telephone Assistance Program (TAP) – (520) 243-6697

Utility Assistance/City Residents Only/Call Tucson Urban League (520) 791-9522

#### HOMES FOR SALE / APARTMENTS FOR RENT

Pima County Search [www.pimacountyhousingsearch.org](http://www.pimacountyhousingsearch.org)

Family Housing Resources offers 12 exceptional apartment communities in Tucson and Benson to meet your affordable housing needs. Ph: 520-318-0993

<http://www.familyhousingresources.com/properties.html>

Public Housing/Section 8 Rental Assistance Program (520) 791-4616

Affordable Rental Program – EL PORTAL (520) 620-0130

Subsidized Apartments (See list at [www.HUD.gov](http://www.HUD.gov) under Search “Subsidized Apartment Search” for Pima County, State of Arizona)

#### SERVICES FOR HOMEOWNERS FACING THE LOSS OF THEIR HOMES

Arizona Self Help [www.arizonaselfhelp.org](http://www.arizonaselfhelp.org)

CODAC Behavioral Health Services, INC. (520) 327-4505

COMMUNITY PARTNERSHIP OF SOUTHERN ARIZONA

24 Hour Crisis Hotline (520) 622-6000 or 1-800-796-6762

or General Behavioral Health Services Information

Call (520) 318-6946 or 1-800-771-9889

COPE Behavioral Services, INC. (520) 792-3293

La Frontera Center, INC. (520) 327-4505

More about Mental Health Services in Tucson can be found on the web under [www.Citysearch.com](http://www.Citysearch.com)

AZ211.com will provide a list of statewide human service organizations. They can be reached by telephone at (602) 364-4895.

Foreclosure Fighters – ACORN – Call Kristy Theilen (520) 623-9389 [www.acorn.org](http://www.acorn.org)

**APPENDIX**

**TOOLS FOR THE HOMEOWNER**



The following documents are usually necessary before you begin to work with a mortgage lender, servicer or housing counselor.

- ☐ Pay Stubs for the last 30 days for each member of the household
- ☐ Award letter for Social Security/Unemployment/Pension Income
- ☐ Federal Tax Returns for at least 2 years
- ☐ Bank Statements (most current 2 months) for all accounts/assets
- ☐ Statements/bills for all household expenses and Budget
- ☐ Promissory Note, Deed of Trust/Mortgage
- ☐ Home Equity Loan/Line of Credit/Judgments/Tax Liens
- ☐ Any Trustee Sale information from your mortgage company or its attorney
- ☐ Any documentation from the courts regarding a foreclosure
- ☐ A hardship letter
- ☐ A Release of Authorization letter
- ☐ Truth in Lending (TIL) Form
- ☐ HUD 1 Settlement/Closing Statement
- ☐ ALL correspondence, letters (opened and unopened envelopes) from banks, courts or anyone regarding your home or the foreclosure.



## **"Keep On Top" Communication Log**

It's important to keep your documents in order based on your conversations with the mortgage servicer or housing counselor. It's very important to keep track of all the people working with you including their phone numbers, important dates and action steps. Below is a sample of the kinds of entries to make in your log. Attached to the log should be all of your documents including letters, loans and notices.

- Who did I talk to? When?
- What was discussed?
- What is their phone number?
- Their Address?
- When will they call back?
- When am I supposed to call back?
- What notice did I receive and from whom?

### **SAMPLE NOTES IN KEEP ON TOP LOG**

<b>Date</b>	<b>Name Ph. Number</b>	<b>Notes about our conversation Call Back (CB), Left Message (LM)</b>
<b>01/10/2010</b>	<b>1-989-243-6666</b>	<b>Spoke with Katie @ Wilshire who requested a Hardship Letter from me. Fax to her @ 1-888-222-0000, then she will CB. If I don't hear from her by 1/15/2010, I will call her.</b>
<b>1/11/2010</b>		<b>Sent Hardship Letter by Fax to Katie.</b>
<b>1/15/2010</b>	<b>1-989-243-6666</b>	<b>LM with Katie to verify she received fax/hardship letter.</b>
<b>1/19/2010</b>		<b>Katie called. Received letter. Now reviewing our file with her manager to decide next step. She will CB next week. Mark calendar to call Katie on 1/26/2010 if she has not called me.</b>
<b>1/27/2010</b>	<b>1-989-243-6666</b>	<b>LM for Katie who has not called as promised. Asked her to call back.</b>
<b>1/28/2010</b>	<b>1-309-7777</b>	<b>Marlon from National called to say their company took over our loan and that he will be my new contact. He has our hardship letter and will discuss with his manager next steps and promised to call back on Monday, Feb. 1<sup>st</sup>.</b>

## KEEP ON TOP COMMUNICATION LOG

Date	Name Ph. Number	Notes about our conversation Call Back (CB), Left Message (LM)

**Release of Authorization Letter**  
***Sample***

Advising Mortgage Lender or Servicer that a  
Housing Counseling Agency will be representing you

Date

Lender's Name  
Lender's Address  
Your Loan Number

Dear Homeownership Preservation/Loss Mitigation Manager,

We the undersigned, hereby authorize \_\_\_\_\_ (*housing counselling agency*) to act on our behalf in all manners relating to our mortgage loan \_\_\_\_\_ (loan number, original amount) for the property located at \_\_\_\_\_ (include the complete street address, city, state and zip code), including signing of all documents relating to this matter.

Any and all acts carried out by \_\_\_\_\_ (*housing counselling agency*) on our behalf shall have the same affect as acts of our own.

This authorization is valid until further written notice.

Sincerely,

(Borrower's name)

## Hardship Letter *Sample*

Date

Lender's Name

Lender's Address

Your Loan Number

Dear Homeownership Preservation/Loss Mitigation Manager,

Our names are/My name is \_\_\_\_\_ and I've/we've been paying the mortgage on our home at [Address] for \_\_\_\_ years now. I'm/We're writing to you to explain why I/we have unfortunately fallen behind on our monthly payments.

Explain your Hardship (Include dates and specific incidents that caused you to get behind, also explain how it has been resolved).

We/I have sat down with my/our family and taken a very hard look at our financial situation and we all have agreed to make the following sacrifices in order to make certain that this situation never happens again.

Explain what steps you have taken to correct your Financial Position (cut back on spending, canceled some things... cable, eliminated activities, met with Credit Counseling services).

My family and I are truly grateful for the opportunity that you've given us to own our home and have every intention of keeping it for a long while, as well as making timely mortgage payments to you for it. Our children will grow up here and we hope that our grandchildren will also.

Thank you again for your time. We truly hope that you will consider working with us and are anxious to get this settled so we can move on.

Sincerely,

Ask everyone in your family sign the letter.

## Resources

### DON'T BORROW TROUBLE® PIMA COUNTY

2030 E. Broadway, Suite 101, Tucson, AZ 85719 Ph: 520-792-3087

[www.dbtaz.org](http://www.dbtaz.org)

### PIMA COUNTY HUD APPROVED HOUSING COUNSELORS

#### ADMINISTRATION OF RESOURCES AND CHOICES

3003 So. Country Club, Tucson, AZ 85754 Ph: 520-623-9383

<http://communityfoodbank.com/programs-services/multi-service-center/administration-of-resources-and-choices/>

#### CHICANOS POR LA CAUSA

200 N. Stone Ave., Tucson, AZ 85701 Ph: 520-882-0018

#### CONSUMER CREDIT COUNSELING SERVICES, A DIVISION OF MMI

4732 No. Oracle Rd., Ste. 217, Tucson, AZ 85705 Ph: 800-308-2227/866-889-9347

*Also at* 5515 E. Grant Road, Suite 211, Tucson, AZ 85712 Ph: 520-298-1910

[www.moneymanagement.org](http://www.moneymanagement.org)

#### FAMILY HOUSING RESOURCES

1700 No. Ft. Lowell Rd., Ste. 101, Tucson, AZ 85719

Ph: 520-318-0993 [www.familyhousingresources.com](http://www.familyhousingresources.com)

#### OLD PUEBLO COMMUNITY SERVICES

4501 E. 5<sup>th</sup> St., Tucson, AZ 85711

Ph: 520-546-0122 [www.oldpueblocommunityservices.org](http://www.oldpueblocommunityservices.org)

#### PIO DECIMO CENTER

848 So. 7th Ave., Tucson, AZ 85701

Ph: 520-624-0551 ext. 109 [www.ccs-soaz.org/pd](http://www.ccs-soaz.org/pd)

#### PRIMAVERA FOUNDATION

151 W. 40<sup>th</sup> St., Tucson, AZ 85713

Ph: 520-882-5383 [www.primavera.org](http://www.primavera.org)

#### TMM FAMILY SERVICES

3127 E. Adams St., Tucson, AZ 85716

Ph: 520-322-9557 [www.tmmfs.org](http://www.tmmfs.org)

#### TUCSON URBAN LEAGUE

2305 S. Park Av., Tucson, AZ 85713 Ph: 520-791-9522 ext. 262

[www.tucsonurbanleague.com](http://www.tucsonurbanleague.com)

211 Arizona – [www.az211.gov](http://www.az211.gov)

ACORN – [www.acorn.org](http://www.acorn.org)

Arizona Attorney General Office – [www.azag.gov](http://www.azag.gov); see video

Arizona Department of Financial Institutions – [www.azdfi.gov](http://www.azdfi.gov)

Arizona Self-Help – [www.arizonaselfhelp.org](http://www.arizonaselfhelp.org)

Arizona Foreclosure Prevention Task Force – [www.arizonaforclosuretaskforce.com](http://www.arizonaforclosuretaskforce.com)

City of Tucson Community Services Department – [www.tucsonaz.gov/csd/](http://www.tucsonaz.gov/csd/)

Credit (FREE) Report – [www.annualcreditreport.com](http://www.annualcreditreport.com)

Don't Borrow Trouble® Pima County – [www.dbtaz.org](http://www.dbtaz.org)

Internal Revenue Service - To order official IRS forms, call 1-800-TAX-FORM (1-800-829-3676) or visit [www.irs.gov](http://www.irs.gov)

Fannie Mae – [www.fanniemae.com](http://www.fanniemae.com)

Freddie Mac – [www.freddiemac.com](http://www.freddiemac.com)

Multiple Listing Service, Inc. – [www.tarmls.com](http://www.tarmls.com)

Pima Council on Aging – [www.pcoa.org](http://www.pcoa.org)

Pima County Community Action Agency - [www.pima.gov/CED/CS/CAA](http://www.pima.gov/CED/CS/CAA)

Pima County Community Services, Employment and Training Department – [www.pima.gov/CED/CS/](http://www.pima.gov/CED/CS/)

Pima County Department of Community Development and Neighborhood Conservation - [www.pima.gov/CED/CDNC/](http://www.pima.gov/CED/CDNC/)

Pima County Emergency Services Network - [www.pima.gov/CED/CS/ESN](http://www.pima.gov/CED/CS/ESN)

Pima County Housing Search - [www.pimacountyhousingsearch.org](http://www.pimacountyhousingsearch.org)

Pima County Recorders Office – [www.recorder.pima.gov](http://www.recorder.pima.gov)

Sources for Baseline Comparisons - [www.bankrate.com](http://www.bankrate.com)  
[www.freddiemac.com](http://www.freddiemac.com)  
[www.mbaa.org](http://www.mbaa.org)  
[www.myfico.com](http://www.myfico.com)

Southern Arizona Legal Aid, Inc. - [www.sazlegalaid.org](http://www.sazlegalaid.org)

## **Where to Find Computer and Internet Access**

All branches of the Pima County Public Library: CALL (520) 791-4114 or (520) 791-4010. Their website is [www/library.pima.gov](http://www/library.pima.gov).

The University of Arizona, Main Library: CALL (520) 621-6406. Their website is [www.library.arizona.edu](http://www.library.arizona.edu).

Pima Community College: CALL (520) 206-4500.

The Pima County One Stop Center: CALL (520) 243-6777. Their website is [www.pima.gov/ced/cs/onestop](http://www.pima.gov/ced/cs/onestop).

Pima Computer Recycling sells affordable, refurbished computers. They are located at 1134 S. Park Avenue, Tucson, AZ 85719. CALL: (520) 623-7162.

The National Cristina Foundation donates refurbished computers received from Dell, Inc., but they are located in the State of Connecticut. CALL: (203) 863-9100 and Website: [www.cristina.org](http://www.cristina.org).

Others:

- Worldcare (Tucson) Phone: (520) 514-1588
- Hewlett-Packard ([www.welcome.hp.com/country/us](http://www.welcome.hp.com/country/us)) or 1-800-752-0900
- Apple ([www.apple.com/contact](http://www.apple.com/contact)) or 1-800-780-5009
- Gateway ([gatewayfoundation@gateway.com](mailto:gatewayfoundation@gateway.com)) or 1-800-369-1409

## **Know Your Lingo**

Amortization – the gradual repayment of a mortgage loan with equal periodic payments of both principal and interest calculated to retire the obligation at the end of a fixed period of time

Annual Percentage Rate – the cost of your loan expressed as a yearly rate. Mortgages include interest, points, origination fees, and any mortgage insurance required by the lender

Collections – the process of contacting the homeowner for and receiving delinquent amounts which are owed

Deed-in-Lieu of Foreclosure – the lender must agree that the homeowner can voluntarily sign the deed over to the lender to avoid the foreclosure process. The homeowner is required to vacate the property at the time the documents are signed or at another negotiated date.

Debt-to-Income Ratio – maximum percent of gross monthly income that can be used for the house payment plus all other debts

Delinquency – failing to make a timely payment so that it is received on or after the due date

Escrow Account – an account held by a lender for payments of taxes, insurance, or other periodic debts against real property. Part of the borrower's monthly payment goes into this account so funds will be available to pay the taxes, insurance and other impounded matters when due to avoid the need for the borrower to pay a lump sum payment.

Foreclosure – legal action for force the sale of a home (Repossession)

Grace Period - length of time between the due date and the date when late fees begin

Good Faith Estimate – A written estimate of costs & fees expected for a mortgage loan.

Housing Ratio – maximum percent of gross monthly income that can be used for a monthly mortgage payment.

Housing Counseling Agency – Nonprofit mortgage lending experts who help you prepare for homeownership or work out a solution to save your home from foreclosure.

Interest Rate – the percentage of a sum of money charged for its use

Insurer – insures the lender/investor in case the loan becomes delinquent

Investor – the owner of the loan



Loan Modification – changing one or more terms of the original mortgage agreement, usually: a) delinquent payments and other costs may be added to the loan balance, b) interest rate changes and/or c) length/term of the mortgage changes, thus resulting in a lower payment amount.

Loan-to-Value Ratio – the comparison of the amount of the loan to the value or selling price of real property expressed as a percentage. For example, if a home with a \$100,000 value has an \$80,000 mortgage on it, the loan to value is 80%.

Loss Mitigation – working with the customer to find a permanent solution to resolve the delinquency (Homeownership Preservation)

Mortgage Insurance - A policy that protects lenders against some or most of the losses that can occur when a borrower defaults on a mortgage loan; mortgage insurance is required primarily for borrowers with a down payment of less than 20% of the home's purchase price.

Mortgage Lender – The company who provided you the funds to buy your home based on a repayment plan including monthly interest and principal.

Partial Claim – applies to FHA loans only; HUD advances insurance funds to pay past-due amounts without charging interest, and is repaid when the mortgage is paid in full – either through refinancing or sale of the property

Rate Lock-in – holds a rate for a specific period of time. Get it in writing (a loan commitment) – in Arizona a mortgage banker will do it. Mortgage brokers will do it too for an added fee. Ask to see a license.

Repayment Plan – regular monthly payments plus additional amounts as agreed; payments are made until the loan is current

Mortgage Servicer – A mortgage lender may sell your mortgage loan to a company responsible for customer service, processing payments, and working with delinquent payments.

Short Sale – the sale of the property at fair market value; the lender agrees to accept the proceeds of the sale even though it is less than the full payoff amount in order to avoid foreclosure, and may result in additional taxes

Special Forbearance Plan – a signed agreement that allows the reduction or suspension of a homeowner's monthly payments for a specific period of time. This requires regular monthly payments plus additional amounts as agreed, until the loan is current.

For additional terms and definitions go to [www.dbtaz.org](http://www.dbtaz.org).

## Homeowner Information Sheet

Homeowner (A) \_\_\_\_\_

Homeowner (B) \_\_\_\_\_

Homeowner (A) Street Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Homeowner (B) Street Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Property Address (if different) \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Home Phone (A) \_\_\_\_\_ Home Phone (B) \_\_\_\_\_

Work Phone (A) \_\_\_\_\_ Work Phone (B) \_\_\_\_\_

Cell Phone (A) \_\_\_\_\_ Cell Phone (B) \_\_\_\_\_

Email Address (A) \_\_\_\_\_

Email Address (B) \_\_\_\_\_

Homeowner (A) SSN \_\_\_\_\_ Homeowner (B) SSN \_\_\_\_\_

Homeowner (A) DOB \_\_\_\_\_ Homeowner (B) DOB \_\_\_\_\_

Homeowner (A) Employer 1 \_\_\_\_\_

Title \_\_\_\_\_ How Long? \_\_\_\_\_

Homeowner (A) Employer 2 \_\_\_\_\_

Title \_\_\_\_\_ How Long? \_\_\_\_\_

Homeowner (B) Employer 1 \_\_\_\_\_

Title \_\_\_\_\_ How Long? \_\_\_\_\_

Homeowner (B) Employer 2 \_\_\_\_\_

Title \_\_\_\_\_ How Long? \_\_\_\_\_

## What's my House Worth?

### Type of Property

- |   |  |                                    |
|---|--|------------------------------------|
| <input type="checkbox"/> Single Family detached | <input type="checkbox"/> 2-4 Unit (duplex) | <input type="checkbox"/> Townhouse |
| <input type="checkbox"/> Condominium            | <input type="checkbox"/> Manufactured Home | <input type="checkbox"/> Other     |

### Condition of Home

- ☐ Excellent   ☐ Good   ☐ Fair   ☐ Poor

Age of Home: \_\_\_\_\_ Date Purchased: \_\_\_\_\_

Describe Improvements you've made: \_\_\_\_\_

For Sale? ☐ Yes   ☐ No

List Price: \$ \_\_\_\_\_ How long for sale? \_\_\_\_\_

Real Estate Agent: \_\_\_\_\_ Telephone: \_\_\_\_\_

Real Estate Broker: \_\_\_\_\_ Telephone: \_\_\_\_\_

### Help in determining the current value of your home:

#### Pima County Assessor's Office

Website: <http://www.asr.pima.gov/>

Telephone: (520) 740-8630

Hours of Operation: Monday – Friday, 8 a.m. – 5 p.m.

#### Pima County Recorder's Office

Website: <http://doc.recorder.pima.gov/search/a/search.html>

Telephone: (520) 740-4350

Address: 115 N. Church Avenue

Hours of Operation: Monday – Friday, 8 a.m. – 5 p.m.

#### Tucson Association of Realtors

2445 North Tucson Boulevard

Telephone: (520) 327-4218

[www.Zillow.com](http://www.Zillow.com) – Website listing the value of homes recently sold and currently for sale

## My Notes

For help with referrals and financial education, counseling, and debt management, contact Don't Borrow Trouble® Pima County by telephone: 520-792-3087 or email: [dbtaz@yahoo.com](mailto:dbtaz@yahoo.com) or [info@dbtaz.org](mailto:info@dbtaz.org)

## Disclaimer

Unless otherwise specifically stated, the information contained herein is made available to the public by the Don't Borrow Trouble® Pima County for use as an example of the kinds of documents and advice one may receive in the process of negotiating with a mortgage company, housing counseling agency or any other party involved in the delinquency or foreclosure of one's home. The intent of the workbook is to assist individuals in resolving their foreclosure crisis.

Neither Don't Borrow Trouble® Pima County nor any other agency or entities involved in the development of this workbook, assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, product or process disclosed in these examples.

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The views and opinions of the originators expressed therein do not necessarily state or reflect those of the Don't Borrow Trouble® Pima County or any agency or entities thereof.



## **PIMA COUNTY BOARD OF SUPERVISORS**

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Ann Day, District 1

Ramón Valadez, District 2

Sharon Bronson, District 3

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## **COUNTY ADMINISTRATOR**

C.H. Huckelberry

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Tucson, AZ

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